

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

YOLANDA MASEI FRAGALES,
MANDIOLA ALPHA, LLLP, MANDIOLA
ALPHA, LLC,

Civil No. 06-1617 (JAF)

Plaintiffs,

v.

PRODUCTOS DE CEMENTO, INC;
MANUEL JACINTO CAMPO ARCE,
MARÍA TERESA SAN MARTÍN
MURGUERZA, and their CONJUGAL
PARTNERSHIP; AVELINO CABRERA
RIVERA, MARÍA CRUZ ENRIQUEZ,
and their CONJUGAL PARTNERSHIP,

Defendants.

CONSENT JUDGMENT

The court having granted the parties' joint Stipulation for Entry of Judgment, Docket Document No. 54, judgment is now entered incorporating all terms and conditions of said stipulation as if set forth at length herein, and more specifically as follows:

WHEREAS, on March 13, 1997, a Stock Purchase Agreement (the "Agreement") was signed by and between sellers Angel Mandiola Areitio and Mrs. Yolanda Masei Fragales, on behalf of themselves, as well as their heirs and successors in interest (hereinafter "Sellers"), and buyers Mr. Manuel Jacinto Campo Arce, Mrs. María Teresa San Martín Murguerza, Mr. Avelino Cabrera Rivera and Mrs. María Cruz Enriquez (collectively "Buyers"), for the sale of certain shares of Productos de Cemento, Inc.

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1 WHEREAS, pursuant to Section Two (2) of the Agreement, Buyers
2 agreed to pay Sellers the total amount of five million five hundred
3 thousand dollars (\$5,500,000.00), at an interest rate of 8.75%, in
4 two hundred forty (240) monthly installments of forty-eight thousand
5 six hundred and four dollars with nine cents (\$48,604.09) each,
6 commencing on April 1, 1997. Said payment obligation is secured by
7 multiple collateral, including, but not limited to, mortgages on the
8 real and personal property of the Company and other real property
9 belonging to the Buyers (collectively, the "Collateral"), which is
10 set forth below.

11 WHEREAS, Defendant Productos de Cemento executed a Mortgage and
12 Promissory Note to guarantee the payment of \$2,000,000.00, at an
13 interest rate of 8.75%, in favor of Sellers over the real property
14 located in Barrio Río, Guaynabo, Puerto Rico, where Productos de
15 Cemento is located.

16 WHEREAS, Defendant Productos de Cemento also executed a Chattel
17 Mortgage and Promissory Note to guarantee the payment of
18 \$3,333,700.00, at an interest rate of 8.75%, in favor of Sellers over
19 the equipment pertaining to the Company.

20 WHEREAS, Defendants Manuel Jacinto Campo Arce and María Teresa
21 San Martín Murguerza executed a Mortgage and Promissory Note to
22 guarantee the payment of \$83,150.00, at an interest rate of 8.75%, in
23 favor of Sellers over the real property described below:

24 ----URBANA: Solar marcado con el número Treinta
25 y Dos (32) en el plano de inscripción de la
26 Urbanización Paradise Hills del Barrio
27 Monacillos de Río Piedras, término Municipal de
28 San Juan, con una cabida de TRESCIENTOS CUARENTA

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1 Y CINCO METROS CUADRADOS CON CUATRO CENTIMOS DE
2 METRO CUADRADO; en lindes por el NORTE, en
3 veintitrés metros con Solar Número Treinta y
4 Tres; por el SUR, en veintidós metros noventa y
5 ocho centímetros con Solar Número Treinta y Uno;
6 por el ESTE, en quince metros con Solares
7 Cuarenta y Ocho y Cuarenta y Nueve y por el
8 OESTE, en quince metros con la Calle Número Uno.

9 ----Casa Residencial de dos plantas de acero,
10 bloques de hormigón y losas de techo y piso de
11 hormigón posttensado.

12 ----Inscrita al folio cincuenta y cinco, tomo
13 sesenta y tres de Bonacillos este y el Cinco,
14 finca numero DOS MIL SESENTA Y CINCO de la
15 Sección Quinta del Registro de la Propiedad de
16 San Juan.

17 WHEREAS, Defendants Avelino Cabrera Rivera and María Cruz
18 Enriquez executed a Mortgage and Promissory Note to guarantee the
19 payment of \$83,150.00, at an interest rate of 8.75%, in favor of
20 Sellers over the real property described below:

21 ----URBANA: Solar número ciento sesenta y tres
22 (163), de la Urbanización Ciudad Jardín II (La
23 Providencia) localizada en el Barrio Piña del
24 Municipio de Toa Alta, con una cabida
25 superficial de QUINIENTOS DOS PUNTO CINCUENTA
26 METROS CUADRADOS (502.50 M.C.) en lindes por el
27 NORTE, en una distancia de veinte punto diez
28 metros (20.10 m.) con los lotes números ciento
29 sesenta (160) y ciento sesenta y uno (161); por
30 el SUR, en una distancia de veinte punto diez
31 metros (20.10 m.) con la Calle Número Dos (2);
32 por el ESTE, en una distancia de veinticinco
33 metros (25.00 m.) con el lote número ciento
34 sesenta y cuatro (164); y por el Oeste, en una
35 distancia de veinticinco metros (25.00 m.) con
36 el lote número ciento sesenta y dos (162).

37 ----El inmueble antes descrito contiene una casa
38 de concreto diseñada para una sola familia,
39 construida de acuerdo con planos y
40 especificaciones sometidas y aprobados por las
41 agencias e instrumentalidades gubernamentales
42 pertinentes.

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1 ----Inscrita al Folio doscientos seis (206) del
2 tomo trescientos treinta y siete (337) de Toa
3 Alta, finca número DIECISEIS MIL SETECIENTOS
4 CUARENTA Y CUATRO (16,744), inscripción primera,
5 de la Sección Tercera del Registro de la
6 Propiedad de Bayamón, Puerto Rico.

7 WHEREAS, Buyers also executed two pledge agreements in favor of
8 Sellers over each and every promissory note mentioned above, as well
9 as over the stocks of the Company.

10 WHEREAS, on September 11, 2003, Angel Mandiola Areitio died in
11 the State of Florida, and his wife, Plaintiff Yolanda Masei-
12 Fragales, became his heir. The Probate Division, Circuit Court of
13 Dade County, State of Florida acknowledged and declared the validity
14 and enforceability of Mr. Mandiola's will.

15 WHEREAS, on December 13, 2004, an "Assignment Agreement" was
16 executed by and between Plaintiff Yolanda Masei-Fragales and
17 Plaintiff Mandiola Alpha, LLLP, whereby Ms. Masei-Fragales assigned
18 and transferred to Mandiola Alpha, LLLP, all of her right, title and
19 interest in and to Productos de Cemento's Stock Certificates No. 21
20 and 22, the Note and the Collateral.

21 WHEREAS, on September 13, 2006 (Docket No. 43), Plaintiffs filed
22 an Amended Complaint in this action, seeking to collect from
23 Defendants the total amounts due under the Agreement, which as of the
24 date of the original Complaint in the case, consisted of not less
25 than \$4,374,700.98 in principal, \$584,362.71 in interest and
26 \$231,436.06 in penalties, as well as other reimbursable costs, and to
27 foreclose on the Collateral.

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1 WHEREAS, on September 19, 2006, Defendants filed an Answer to
2 Amended Complaint and Amended Counterclaim (Docket No. 46), disputing
3 Plaintiffs' claims and seeking an award of damages in the amount of
4 \$2,359,830.00 (for their alleged losses, mental anguish and emotional
5 pain) against Plaintiffs.

6 WHEREAS, Plaintiffs and Defendants have agreed to settle all
7 claims and counterclaims asserted in this action, and to release each
8 other from any liability arising from the same, pursuant to the terms
9 and conditions set forth herein.

10 NOW, THEREFORE, final judgment is entered ORDERING,
11 ADJUDICATING, and DECREERING as follows:

- 12 1. Defendants are directed to pay Plaintiff Mandiola Alpha,
13 LLLP the sum of \$5,000,000.00 ("Judgment Debt") on or
14 before February 28, 2007.
- 15 2. Plaintiffs will cooperate with Defendants in connection
16 with the consummation of this Stipulation, including
17 providing all reasonably required information and
18 documents, as well as being reasonably available when
19 needed for the execution of all necessary public deeds or
20 other legal documents.
- 21 3. The Judgment Debt consists of the payment of \$4,349,990.29
22 in principal and \$650,009.71 in interest owed by Defendants
23 to Plaintiffs under the Agreement.
- 24 4. Any income tax withholding from the payment of the Judgment
25 Debt shall be in accordance with the Closing Agreement
26 dated December 29, 2005, between the Secretary of the

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1 Treasury of the Commonwealth of Puerto Rico and the Estate
2 of Angel M. Mandiola and Mandiola Alpha, LLLP, as well as
3 the Addendum to Closing Agreement entered into by the same
4 parties on June 26, 2006.

5 5. The Judgment Debt shall continue to be secured until its
6 full payment by the Collateral provided by Defendants under
7 the Agreement.

8 6. Upon full payment of the Judgment Debt, the parties shall
9 execute all necessary legal documents to cancel the
10 Agreement and to release each other from any further
11 obligations in connection with the same.

12 7. Should Defendants fail to pay the full amount of the
13 Judgment Debt less any applicable income tax withholding on
14 or before February 28, 2007 (unless this is due to
15 Plaintiffs' failure to cooperate as provided in Paragraph
16 2 above), Plaintiffs shall be entitled to:

17 a. collect the total sum of \$5,250,000.00, consisting of
18 the Judgment Debt, plus a penalty in the amount of
19 \$250,000.00, and said sum shall accrue interest at the
20 rate of 10% per year from the date of default until
21 payment in full; and

22 b. seek from the court any necessary orders and writs to
23 foreclose on the Collateral, forthwith.

24 8. Plaintiffs and Defendants shall bear their respective legal
25 costs in connection with the present litigation, except
26 that:

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1 a. Defendants shall assume the fees and costs involved in
2 the issuance of any necessary public deeds in
3 connection with the present stipulation, provided that
4 Defendants shall have the right to use the services of
5 a notary public of their choosing when issuing the
6 same.

7 b. Defendants shall be liable to Plaintiffs for all fees,
8 costs and expenses that may be incurred by Plaintiffs
9 in the event that Defendants default their payment
10 obligations in this Stipulation and Plaintiffs have to
11 foreclose hereon.

12 All claims and counterclaims asserted in this action are
13 dismissed with prejudice and, upon its entry, this judgment shall be
14 final and not subject to any appeals or reconsideration.

15 San Juan, Puerto Rico, this 18th day of December, 2006.

16 S/José Antonio Fusté
17 JOSE ANTONIO FUSTE
18 U. S. District Judge